General Manager" (being the head of the Mumbai Circle Establishment) by various designated officials in the Local Head Office. In this case, the designated/authorised official was the Circle Financial Officer. All aspects relating to facilities granted to CRB Capital Markets by SBI are being inquired into and are also under investigation by the CBI and as such it is not possible to comment on the correctness of the action taken in this case.

*[Translation]*

**Banks in Gujarat**

2698. SHRI N.J. RATHWA: Will the Minister of FINANCE be pleased to state:

(a) the number of private and nationalised banks operating in Gujarat, particularly in tribal dominated areas, as on date;

(b) the status of deposits with these banks during 1994-95, 1995-96 and 1996-97 and the amount of loans provided to the people of Gujarat particularly in the tribal dominated districts;

(c) whether these banks have achieved the target fixed for receipt of deposits and loan distribution; and

(d) if not, the reasons therefor and the number of people particularly from tribal dominated areas who have benefited by the loans distributed during the said period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (b) According to Reserve Bank of India (RBI), the number of private banks and nationalised banks operating in the tribal districts of Gujarat State as also the outstanding deposits and credit as on the last Friday of March for the years 1994, 1995, 1996 and 1997 are given below:

(Amount in Rs. Lakhs)

| Name of District | Bank Group | No. of banks as on 31.3.97 | 1994 Deposits | 1994 Credit | 1995 Deposits | 1995 Credit | 1996 Deposits | 1996 Credit | 1997 Deposits | 1997 Credit |
|---|---|---|---|---|---|---|---|---|---|---|
| Bharuch | Nationalised Banks | 13 | 27.97 | 17.38 | 39.76 | 21.01 | 38.90 | 18.46 | 45.29 | 23.43 |
| | Private Bank | 0 | — | — | — | — | — | — | — | — |
| Dangs | Nationalised Bank | 1 | 0.68 | 0.20 | 0.79 | 0.19 | 0.91 | 0.25 | 1.13 | 0.28 |
| | Private Bank | 0 | — | — | — | — | — | — | — | — |
| Panch Mahals | Nationalised Bank | 7 | 17.75 | 13.25 | 20.87 | 16.66 | 22.14 | 18.82 | 26.36 | 19.90 |
| | Private Bank | 0 | — | — | — | — | — | — | — | — |
| Valsad | Nationalised Bank | 15 | 114.03 | 29.10 | 131.41 | 91.89 | 152.00 | 46.32 | 178.57 | 38.01 |
| | Private Bank | 2 | — | — | — | — | 0.17 | 0.04 | 0.82 | 0.96 |

(c) and (d) The present data reporting system of RBI does not generate this information.

*[English]*

**Performance of NBS**

2699. SHRI NARAYAN ATHAWALAY: Will be Minister of FINANCE be pleased to state:

(a) the performance of Nationlised banks for 1996-97 by standard norms and trends emerging in performance profile review over the last three years;

(b) the details regarding a series of measures taken during the last three years to improve the performance of Nationalised Banks particularly steps taken during 1996-97 and results achieved;

(c) the status of amount involved in frauds/scam/financial bungling/non-performing assets/bad-debt-Nationalised Bank wise for the last three years and steps taken to check abnormal trends; and

(d) the datails of Rehabilitation package formulated/ under execution for sick Nationalised Banks-Bankwise and progress made in execution with results achieved?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) As reported by Reserve Bank of India (RBI), the net profit of the nationalised banks during the year 1996-97 was Rs. 1359.57 crores (provisional). There has been an overall improvement in the performance of the nationalised bank during the last three years. While in 1994-95, eight banks have reported net losses, the number had come down to seven during 1995-96 and during 1996-97 only three banks have reported net losses (including Indian Bank which is yet to finalise their account).

(b) Government of India/Reserve Bank of India (RBI) have taken various steps to improve the overall functioning of the banks which will lead to higher profitability, security for the deposits and customers. These steps include emphasis on mobilisation of low cost-deposit, minimise high cost certificate of deposits, reduce the level of non performing assets, increase in staff productivity, refraining from increase in fresh capital expenditure by loss making banks, to increase number of branches having computerised/automated, rationalisation or organisational structure etc.

(c) NPAs of nationalised banks during the last three years are given in the statement-I attached. Readily available data in regard to frauds is given in the statement-II attached.

Bank have set up recovery cells at head quarters under a General Manager. Recoveries are monitored on monthly basis by CMD. Branch-wise recovery targets are fixed. Monitoring of recovery is done by the Board of Directors on a quarterly basis. Quality of assets is also reviewed by the Board of Directors periodically. Eight debt recovery tribunals have been set up to expedite settlement of bank dues. RBI has also introduced off-site supervision alongwith on-site inspection of banks.

These banks, at the instance of Government and Reserve Bank of India (RBI) have taken several steps from time to time for prevention of frauds. These steps include issue of comprehensive guidelines by RBI for strengthening the control mechanism in banks, review of fraud cases on a continual basis by RBI, advising the banks of modus-operandi in ingenious cases alongwith required safeguards to prevent their recurrence, proper training of operational personel and investigations and scrutiny into reported cases of major frauds as well as snap inspections covering systems and procedures and control arrangements in fraud prone areas by the RBI.

(d) While the banks are taking steps to improve the performance and enhance recovery of NPAs, Government of India have also recapitalised weak banks to help them achieve eight percent capital adequacy. During 1996-97, Central Bank of India, Punjab & Sind Bank and Vijaya Bank who had reported losses during 1995-96 have reported profit. Losses of UCO Bank and United Bank of India have come down. It is also expected that Indian Bank will report loss of lower magnitude as compared to the losses reported for the year 1995-96.

UCO Bank have entered into Memorandum of Understanding with their respective unions/associations for ensuring their cooperation for turnaround. United Bank of India and Indian Bank have also discussed the matter with their respective unions/associations for turnaround strategy.

**Statement-I**

*Position of Non-Performing Assets*

(Rs. in Crore)

| Name of the Bank | 1993-94 | | 1994-95 | | 1995-96 | |
|---|---|---|---|---|---|---|
| | Amount | % to total advances | Amount | % to total advances | Amount | % to total advances |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Allahabad Bank | 1025.03 | 24.74 | 1235.11 | 26.88 | 1255.00 | 23.98 |
| Andhra bank | 520.78 | 23.35 | 377.65 | 14.30 | 332.20 | 11.61 |
| Bank of Baroda | 2630.16 | 18.77 | 2689.68 | 16.58 | 2840.09 | 16.16 |
| Bank of India | 3772.00 | 29.96 | 2961.00 | 20.66 | 2434.00 | 14.49 |
| Bank of Maharashtra | 647.67 | 36.23 | 734.59 | 25.71 | 694.26 | 21.87 |
| Canara Bank | 1653.00 | 18.22 | 1523.00 | 12.93 | 2647.32 | 17.93 |
| Central Bank of India | 2443.00 | 35.29 | 2154.78 | 24.98 | 2420.00 | 23.91 |
| Corporation Bank | 259.01 | 16.41 | 260.01 | 11.69 | 251.83 | 9.67 |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Dena Bank | 564.00 | 22.51 | 557.00 | 17.34 | 541.00 | 14.70 |
| Indian Bank | 2040.51 | 26.79 | 2102.41 | 24.09 | 3140.00 | 34.15 |
| Indian Overseas Bank | 2175.18 | 37.75 | 2001.41 | 26.85 | 2020.00 | 22.59 |
| Oriental Bank of Commerce | 210.95 | 8.00 | 221.94 | 6.14 | 271.30 | 5.68 |
| Punjab & Sind Bank | 637.28 | 31.63 | 619.32 | 22.53 | 957.53 | 27.70 |
| Punjab National Bank | 2179.03 | 21.41 | 2033.00 | 17.01 | 2518.00 | 18.74 |
| Syndicate Bank | 1409.60 | 29.40 | 1452.97 | 27.48 | 1311.75 | 20.97 |
| UCO Bank | 1961.81 | 34.61 | 1745.60 | 29.40 | 1839.52 | 24.54 |
| Union Bank of India | 693.49 | 12.87 | 695.95 | 9.41 | 945.86 | 10.38 |
| United Bank of India | 1509.00 | 45.95 | 1309.68 | 36.90 | 1401.00 | 38.00 |
| Vijaya Bank | 532.88 | 26.96 | 439.40 | 17.47 | 545.38 | 20.36 |
| Total | 27064.38 | 25.84 | 25114.50 | 19.98 | 28366.04 | 19.52 |

**Statement-II**

*Bank-wise number of frauds detected in nationalised banks and the amount involved therein during the years 1994, 1995 and 1996*

(Rs. in Lakhs)

| Sl. No. | Name of the Bank | Number of Frauds | | | Amount involved | | |
|---|---|---|---|---|---|---|---|
| | | 1994 | 1995 | 1996 | 1994 | 1995 | 1996 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1. | Allahabad Bank | 39 | 48 | 14 | 2343.58 | 105.32 | 121.19 |
| 2. | Andhra Bank | 25 | 41 | 07 | 131.00 | 523.80 | 4.80 |
| 3. | Bank of Baroda | 159 | 114 | 23 | 2905.71 | 1151.74 | 120.49 |
| | | 15* | 10* | | 528.63 | 52.85 | |
| | | | | | +U.Sh9844000 | | |
| 4. | Bank of India | 215 | 156 | 48 | 728.62 | 496.82 | 122.30 |
| | | 11* | 04* | 01* | 988.51 | 8.84 | 4.65 |
| 5. | Bank of Maharashtra | 50 | 31 | 08 | 465.11 | 1891.65 | 43.73 |
| 6. | Canara Bank | 217 | 167 | 49 | 1402.21 | 1953.01 | 43.11 |
| 7. | Central Bank of India | 130 | 73 | 38 | 347.46 | 188.64 | 19.50 |
| 8. | Corporation Bank | 38 | 23 | 07 | 38.28 | 86.13 | 4.16 |
| 9. | Dena Bank | 22 | 14 | 06 | 1049.62 | 140.04 | 18.42 |
| 10. | Indian Bank | 60 | 37 | 14 | 286.26 | 83.08 | 34.23 |
| 11. | Indian Overseas Bank | 71 | 43 | 10 | 356.97 | 326.92 | 5.39 |
| 12. | Oriental Bank of Commerce | 14 | 12 | 04 | 230.88 | 630.80 | 1.94 |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| 13. | Punjab National Bank | 118 | 56 | 27 | 2008.36 | 212.70 | 191.05 |
| 14. | Punjab & Sind Bank | 17 | 17 | 04 | 163.26 | 74.38 | 14.11 |
| 15. | Syndicate Bank | 103 | 109 | 22 | 1371.80 | 782.43 | 22.68 |
| 16. | Union Bank of India | 39 | 59 | 18 | 336.54 | 251.71 | 131.53 |
| 17. | United Bank of India | 43 | 40 | 09 | 171.09 | 41.21 | 23.80 |
| 18. | UCO Bank | 58 | 74 | 08 | 416.89 | 374.17 | 26.84 |
| 19. | Vijaya Bank | 32 | 39 | 12 | 45.93 | 147.77 | 2.19 |

*Outside India U.Sh = Uganda Shillings.

*[Translation]*

**Customer Services in SBI**

2700. SHRI VISHVESHWAR BAHGAT:

SHRI MAHESH KUMAR M. KANODIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the customer service in State Bank of India is very unsatisfactory and as a result, the customers are getting attracted towards private banks;

(b) the regional office-wise number of complaints received from the public regarding the working of State Bank of India during the last three years; and

(c) the number of employees and officers agsinst whom action has been taken on the basis of these complaints and the nature of action?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) State Bank of India (SBI) have reported that it has been consistent endeavour of the Bank to provide the best customer service to the constituents. The Bank has further reported that on account of the large spread of the branches and enormous volume of transactions, it is possible that customers complaints can and do arise. The Bank has set up cells/ Departments to look into and expeditiously settle complaints received. There is no evidence to indicate that customers have left SBI and have moved to private sector banks. On the other hand the large branch net-work and the variety of services offered to widely varied clientele has ensured that customers remain with SBI.

(b) and (c) The information is being collected and will be laid on the Table of the House.

*[English]*

**Numbers of Banks Fallen in CRB Scam**

2701. SHRI MADHAVRAO SCINDIA: Will the Minister of FINANCE be pleased to state:

(a) the number of nationalised banks been found to have fallen prey to the CRB Scam; and

(b) the steps have since been taken to recover the money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) CRB Capital Markets Ltd. (CRBCML) was granted a facility, by the Mumbai Main Branch of State Bank of India, of encashment at par, of warrants issued by the company in repayment of fixed deposits, interest payable thereon and brokerage warrants at all branches of State Bank of India. The company had agreed, inter-alia, to prefund the relative accounts ensuring that the accounts have sufficient balance when the warrants were presented for payment. Howerver, the company fraudulently overdrew the account by an amount of over Rs. 58 crores (provisional). The company has also overdrawn its interest warrant account and brokerage warrant account with the Capital Markets Division, Mumbai Main Office of Bank of Baroda by about Rs. 1.90 crores (provisional). The company also enjoyed credit facilities from some public sector banks and the exposure of these banks is presently estimated to be in the region of Rs. 12 crores.

Consequent upon a petition filed by the Reserve Bank of India under section 45 MC of the Reserve Bank of India Act, the Delhi High Court has appointed a Provisional Official Liquidator. The Liquidator has initiated steps to crystallize the assests and liabilities of the company. He is being assisted by the officials of RBI, CBI and some public sector banks in this regard. The issue of settlement of claims of creditors, including banks, would proceed as per the provisions of law and the directions of the Delhi High Court.

**PNB Scam**

2702. SHRI MANGAL RAM PREMI:

SHRI JAI PRAKASH (HARDOI):

Will the Minister of FINANCE be pleased to state: